

(d) if so, the production cost of steel in the country and at international level?

**THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY):** (a) and (b) The production cost of steel and the pay and allowances of employees and workers vary from company to company depending upon the locational considerations, cost of various inputs and the pay scales and other benefits of the companies announced from time to time.

(c) No Sir.

(d) As per the Cost Monitor of World Steel Dynamics the cost of production of steel in some Steel Manufacturing Countries in the World is as follows :

**Cost of Production 1998—Saleable Steel (\$ / Tonne)**

USA	502
UK	472
Germany	498
Japan	477
SAIL (98-99) 4 Plants	312

**Losses in SAIL**

**†1104. DR. D. MASTHAN:**

**SHRI RAM JETHMALANI:**

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that many measures have been taken in the past years to minimize the losses of Steel Authority of India Limited;

(b) if so, the sectors identified by management for making curtailments to minimise the production cost; and

(c) the details of percentage regarding production cost in each sector likely to be minimized by way of curtailment measures?

**THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY):** (a) and (b) Yes, Sir. Measures taken/being taken to reduce production cost and to improve the performance of Steel Authority of India Limited (*SAIL*) *inter-alia* include:

(i) Business and financial restructuring with a view to improve its functioning and enabling the company to concentrate on its core business aimed at increasing its competitiveness.

<sup>†</sup>Original notice of the question was received in Hindi.

[7th March, 2001]

**RAJYA SABHA**

- (ii) intensive cost control drive.
- (iii) minimum capital expenditure.
- (iv) market oriented product-mix, increasing sales network, greater focus on customer satisfaction, etc.
- (v) implementation of voluntary retirement scheme for right sizing the manpower.

(c) As a result of intensive cost control measures and other initiatives taken in last three years, variable cost of production of saleable steel has come down by over 6% even after absorbing input cost escalations.

**VRS in public sector steel units**

**1105. SHRI GAYA SINGH:**

**SHRI J. CHITHARANJAN:**

**Will the Minister of STEEL be pleased to state:**

- (a) whether the public sector steel units had offered Voluntary Retirement Scheme (VRS) to reduce their work force to optimum level;
- (b) if so, whether any target was fixed for each unit;
- (c) if so, the details thereof;
- (d) the number of workers accepted VRS in each unit and the cost incurred thereon, category-wise;
- (e) whether the performance of the public sector steel units has improved since then;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor and Government's reaction thereto?

**THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY):** (a) So far Voluntary Retirement Scheme (VRS) has not been introduced by Rashtriya Ispat Nigam Limited.

SAIL had implemented voluntary retirement scheme during the year 1998 and 1999 to reduce its workforce. VRS were also operated in Indian Iron and Steel Company (IISCO) and Visvesvarya Iron & Steel Limited (VISL) with the assistance of Grant-in-aid from National Renewal Fund (NRF).

- (b) and (c) No targets were fixed.